

Newspaper: Money Management Letter

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### **It's All About The Fees**

## **RHODE ISLAND PLANS \$2.4 BILLION PASSIVE EQUITY BOOST**

The \$7 billion Rhode Island Employees Retirement System plans to issue an RFP for index managers for domestic and international equity within the next few days. CIO Kenneth Goodreau said the board has approved an 80% passive, 20% active management mix for equities, the reverse of the current allocation. The fund allocates 58% to equities. Goodreau expects the board to bring on one or two passive managers. The board will evaluate the bond

## **RHODE ISLAND**

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portfolio next.

Active and passive investment styles have performed along the same lines and the fund could save up to \$12 million a year in active management fees, according to meeting minutes. For the one year ending Sept. 30, the entire U.S. equities portfolio was down 22.1%, while international stocks were down 27.9%. "There's never a bad time to save money or simplify a program," Goodreau told *MML*. Hiring and retaining active managers